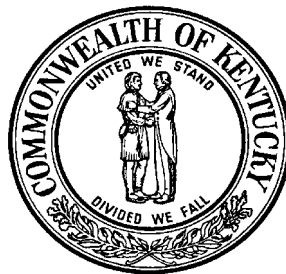


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT OF THE
BUTLER COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2001
Through June 30, 2002**



**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
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EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

Dana Mayton, Secretary, Revenue Cabinet
Honorable Richard E. Embry
Butler County Property Valuation Administrator
Morgantown, Kentucky 42261

Independent Accountant's Report

We have performed the procedures enumerated below, which were agreed to by the Butler County Property Valuation Administrator, solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for THE period July 1, 2001 through June 30, 2002. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Butler County Property Valuation Administrator. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the Property Valuation Administrator has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month.

Finding - The Property Valuation Administrator has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month.

Client's Response -

None.

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding - Based upon work performed, the recorded city receipts compare favorably to confirmed amounts.

Client's Response -

None.



Dana Mayton, Secretary, Revenue Cabinet
Honorable Richard E. Embry
Butler County Property Valuation Administrator
(Continued)

3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Revenue Cabinet. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the Property Valuation Administrator's local bank account.

Finding - Based upon work performed, the budgeted statutory contribution by fiscal court compares favorably to Revenue Cabinet's calculated amount. The fiscal court payments were properly and promptly deposited to Property Valuation Administrator's local bank account. However, the county paid the Property Valuation Administrator based upon the Estimated County Statutory Obligations and did not adjust the payments when the final County Statutory Obligations to the Property Valuation Administrator was approved. Therefore, the Property Valuation Administrator owes the County \$183 for overpayment.

Client's Response -

None.

4. Procedure -

Select a sample of disbursements from available Property Valuation Administrator's records and agree amounts to cancelled checks, paid invoices, or other supporting documentation. Determine if the expenditure is for official business.

Finding - Based upon work performed, the expenditures appear to have been properly recorded and were for official business.

Client's Response -

None.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets.

Finding - Based upon work performed, the capital outlay disbursements appear to have been properly recorded and were for official business.

Client's Response -

None.

Dana Mayton, Secretary, Revenue Cabinet
Honorable Richard E. Embry,
Butler County Property Valuation Administrator
(Continued)

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding - Property Valuation Administrator did not have any of the above services.

Client's Response -

None.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Property Valuation Administrator and the Revenue Cabinet and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Engagement fieldwork completed -
January 31, 2003